

**Golfbox A/S**  
Sensommervej 34F, 8600 Silkeborg

**Company reg. no. 27 23 47 04**

**Annual report**  
**1 July 2020 - 30 June 2021**

The annual report was submitted and approved by the general meeting on the 6 October 2021.

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**Patrick William Howard**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's report**

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Today, the board of directors and the managing director have presented the annual report of Golfbox A/S for the financial year 1 July 2020 - 30 June 2021.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 June 2021 and of the company's results of activities in the financial year 1 July 2020 – 30 June 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Silkeborg, 6 October 2021

### **Managing Director**

Carsten Overgaard

### **Board of directors**

David Andrew Marshall

Anthony Peter Toohey

Patrick William Howard

## **Independent auditor's report**

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### **To the shareholder of Golfbox A/S**

#### **Opinion**

We have audited the financial statements of Golfbox A/S for the financial year 1 July 2020 - 30 June 2021, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 30 June 2021 and of the results of the company's activities for the financial year 1 July 2020 - 30 June 2021 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

## **Independent auditor's report**

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In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 6 October 2021

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36

### **Brian Rasmussen**

State Authorised Public Accountant  
mne30153

## Company information

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### The company

Golfbox A/S  
Sensommervej 34F  
8600 Silkeborg

Company reg. no. 27 23 47 04  
Established: 2 June 2003  
Domicile: Silkeborg  
Financial year: 1 July 2020 - 30 June 2021  
18th financial year

### Board of directors

David Andrew Marshall  
Anthony Peter Toohey  
Patrick William Howard

### Managing Director

Carsten Overgaard

### Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

### Parent company

MSL Solutions Ltd.

## Financial highlights

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DKK in thousands.

	<u>2020/21</u>	<u>2019/20</u>	<u>2018/19</u>	<u>2017/18</u>	<u>2016/17</u>
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### Income statement:

Gross profit	15.810	16.205	17.894	14.979	12.974
Profit from operating activities	1.979	2.838	3.130	3.868	5.334
Net financials	17	-37	272	12	-18
Net profit or loss for the year	1.547	2.622	2.664	3.026	4.144

### Statement of financial position:

Balance sheet total	23.724	23.728	21.460	25.022	21.847
Equity	13.311	13.764	11.142	14.478	14.112

### Employees:

Average number of full-time employees	18	19	18	16	18
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### Key figures in %:

Solvency ratio	56,1	58,0	51,9	57,9	64,6
Return on equity	11,4	21,1	20,8	21,2	31,2

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.



## **Management commentary**

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### **The principal activities of the company**

Like in previous years, the principal activity has been the development and sale of software to golf clubs and golfunions worldwide. Functionality, hosting and technology are continuously improved, so the quality of the overall solution continually is on a very high level.

The products are primarily sold in Denmark and other countries in Northern Europe.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 15.810.040 against DKK 16.205.379 last year. Income or loss from ordinary activities after tax totals DKK 1.547.058 against DKK 2.621.712 last year. Management considers the net profit or loss for the year satisfactory.

## Accounting policies

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The annual report for Golfbox A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

In connection with the accounts for 2020-21 there has been made changes to the expected useful lifetime of the company's intangible assets. The expected lifetime and depreciation period has partly for some of the individual development projects of the intangible assets been reviewed and changed from 10 years to 5 years to be in accordance with the expected lifetime and Group policy.

The monetary effect of the change is amounting to DKK 1.574.308 in increased depreciations.

The change is implemented without any adjustment of comparative figures in accordance with Danish GAAP.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

## Accounting policies

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Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

### Income statement

#### Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts to achieve revenue for the year.

#### Own work capitalised

Own work capitalised includes staff cost and other internal costs incurred during the financial year and recognised in the cost of proprietary intangible fixed assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises and loss on receivables.

#### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

#### Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible assets.

#### Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible assets.

## Accounting policies

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### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Statement of financial position

### Intangible assets

#### Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and amortisations directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is 5 years.

### Impairment loss relating to non-current assets

The carrying amount of both intangible assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

## Accounting policies

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### Investments

#### Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

#### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

#### Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

### Equity

#### Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

#### Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

#### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

## **Accounting policies**

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Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### **Accruals and deferred income**

Payments received concerning future income are recognised under accruals and deferred income.

**Income statement 1 July - 30 June**

All amounts in DKK.

<u>Note</u>	<u>2020/21</u>	<u>2019/20</u>
<b>Gross profit</b>	<b>15.810.040</b>	<b>16.205.379</b>
1 Staff costs	-9.360.151	-10.353.000
Amortisation and impairment of intangible assets	-4.471.168	-2.763.023
Other operating costs	0	-251.838
<b>Profit before net financials</b>	<b>1.978.721</b>	<b>2.837.518</b>
Other financial income from group enterprises	40.000	21.025
Other financial income	2.022	0
Other financial costs	-25.165	-58.299
<b>Pre-tax net profit or loss</b>	<b>1.995.578</b>	<b>2.800.244</b>
2 Tax on net profit or loss for the year	-448.520	-178.532
<b>Net profit or loss for the year</b>	<b>1.547.058</b>	<b>2.621.712</b>
<b>Proposed appropriation of net profit:</b>		
Dividend for the financial year	1.700.000	2.000.000
Transferred to retained earnings	0	621.712
Allocated from retained earnings	-152.942	0
<b>Total allocations and transfers</b>	<b>1.547.058</b>	<b>2.621.712</b>

## Statement of financial position at 30 June

All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>			
3	Completed development projects, including patents and similar rights arising from development projects	17.617.721	18.488.889
	Total intangible assets	<u>17.617.721</u>	<u>18.488.889</u>
4	Deposits	72.017	72.017
	Total investments	<u>72.017</u>	<u>72.017</u>
	<b>Total non-current assets</b>	<b><u>17.689.738</u></b>	<b><u>18.560.906</u></b>
<b>Current assets</b>			
	Trade receivables	460.222	208.067
	Receivables from group enterprises	1.578.395	1.570.555
	Income tax receivables	349.842	402.529
	Other receivables	0	9.668
	Total receivables	<u>2.388.459</u>	<u>2.190.819</u>
	Cash on hand and demand deposits	<u>3.645.944</u>	<u>2.975.803</u>
	<b>Total current assets</b>	<b><u>6.034.403</u></b>	<b><u>5.166.622</u></b>
	<b>Total assets</b>	<b><u>23.724.141</u></b>	<b><u>23.727.528</u></b>



**Statement of financial position at 30 June**

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2021</u>	<u>2020</u>
<b>Equity</b>			
	Contributed capital	1.445.020	1.445.020
	Reserve for development costs	10.114.323	9.520.942
	Retained earnings	51.696	798.019
	Proposed dividend for the financial year	1.700.000	2.000.000
	<b>Total equity</b>	<b>13.311.039</b>	<b>13.763.981</b>
<b>Provisions</b>			
	Provisions for deferred tax	2.987.985	3.265.370
	<b>Total provisions</b>	<b>2.987.985</b>	<b>3.265.370</b>
<b>Liabilities other than provisions</b>			
5	Income tax payable	716.408	0
6	Other payables	916.000	0
	Total long term liabilities other than provisions	1.632.408	0
	Bank loans	0	1.836
	Trade payables	186.843	105.733
	Other payables	1.615.866	3.005.608
	Accruals and deferred income	3.990.000	3.585.000
	Total short term liabilities other than provisions	5.792.709	6.698.177
	<b>Total liabilities other than provisions</b>	<b>7.425.117</b>	<b>6.698.177</b>
	<b>Total equity and liabilities</b>	<b>23.724.141</b>	<b>23.727.528</b>
<b>7 Contingencies</b>			
<b>8 Related parties</b>			

## Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 July 2019	1.445.020	7.327.775	2.369.474	0	11.142.269
Profit or loss for the year brought forward	0	0	621.712	2.000.000	2.621.712
Transferred from results brought forward	0	2.193.167	0	0	2.193.167
Transferred to reserve for development costs	0	0	-2.193.167	0	-2.193.167
Equity 1 July 2020	1.445.020	9.520.942	798.019	2.000.000	13.763.981
Distributed dividend	0	0	0	-2.000.000	-2.000.000
Profit or loss for the year brought forward	0	0	-152.942	1.700.000	1.547.058
Transferred from results brought forward	0	593.381	0	0	593.381
Transferred to reserve for development costs	0	0	-593.381	0	-593.381
	<b>1.445.020</b>	<b>10.114.323</b>	<b>51.696</b>	<b>1.700.000</b>	<b>13.311.039</b>

## Notes

All amounts in DKK.

	2020/21	2019/20
<b>1. Staff costs</b>		
Salaries and wages	9.066.579	10.239.231
Pension costs	167.226	0
Other costs for social security	126.346	113.769
	<b>9.360.151</b>	<b>10.353.000</b>
Average number of employees	18	19
<b>2. Tax on net profit or loss for the year</b>		
Tax of the results for the year, parent company	716.408	59.158
Adjustment for the year of deferred tax	-277.385	-516.772
Adjustment of tax for previous years	9.497	636.146
	<b>448.520</b>	<b>178.532</b>
<b>3. Completed development projects, including patents and similar rights arising from development projects</b>		
Cost 1 July 2020	38.757.053	35.604.750
Additions during the year	3.600.000	3.900.000
Disposals during the year	0	-747.697
<b>Cost 30 June 2021</b>	<b>42.357.053</b>	<b>38.757.053</b>
Amortisation and writedown 1 July 2020	-20.268.164	-18.001.000
Amortisation for the year	-4.471.168	-2.763.023
Reversal of depreciation, amortisation and writedown, assets disposed of	0	495.859
<b>Amortisation and writedown 30 June 2021</b>	<b>-24.739.332</b>	<b>-20.268.164</b>
<b>Carrying amount, 30 June 2021</b>	<b>17.617.721</b>	<b>18.488.889</b>

The enterprise's development projects concern the website and portal Golfbox including software for mobile devices. The development projects comprises a golfbased system, which helps golf clubs, unions and federations with everything from daily tee time registrations, automatic handicapsystems, automatic tournament systems and databases etc. In 2020 has the company been part in making a new World Handicap System as well rolled out an new tournament system within the platform. It is the expectation that the new features will help Golfbox to get a closer strategic cooperation with new and existing customers.

## Notes

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All amounts in DKK.

	<u>30/6 2021</u>	<u>30/6 2020</u>
<b>4. Deposits</b>		
Cost 1 July 2020	72.017	69.491
Additions during the year	<u>0</u>	<u>2.526</u>
<b>Cost 30 June 2021</b>	<u><b>72.017</b></u>	<u><b>72.017</b></u>
 <b>Carrying amount, 30 June 2021</b>	 <u><b>72.017</b></u>	 <u><b>72.017</b></u>
 <b>5. Income tax payable</b>		
Long-term part of corporate tax (balance sheet)	716.408	0
Share of amount due within 1 year	<u>0</u>	<u>0</u>
	<u><b>716.408</b></u>	<u><b>0</b></u>
 Share of liabilities due after 5 years	 <u>0</u>	 <u>0</u>
 <b>6. Other payables</b>		
Total other payables	916.000	0
Share of amount due within 1 year	<u>0</u>	<u>0</u>
<b>Total other payables</b>	<u><b>916.000</b></u>	<u><b>0</b></u>
 Share of liabilities due after 5 years	 <u>916.000</u>	 <u>0</u>

## Notes

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All amounts in DKK.

### 7. Contingencies

#### Contingent liabilities

	30/6 2021
	DKK in
	thousands
Total contingent liabilities	<u>1.869</u>

### 8. Related parties

#### Consolidated financial statements

The company is included in the consolidated financial statements of MSL Solution Limited, Australia.

The group annual report of MSL Solution Limited may be obtained at the following address:  
<https://mpowermsl.com/financial-reports/>